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Commission presents draft EU agriculture budget for 2005

The European Commission has presented its draft budget for the 2005 year. The total budget projects spending of €109.5 billion (bn), of which €50.7 bn is for agriculture. This compares to a total 2004 budget which is expected to be €99.8 bn in total, of which €46.8 bn was allocated to agriculture. The two main increases in agricultural spending of €3.9 bn are the costs of the 2003 CAP reform which add €1.3 bn, although Commission officials are reported as saying the bulk of this increase is due to payments to the NMS (new member states). The other main increase, €1.4 bn is for the first year of direct payments in the NMS. It should be noted that these are currently only 25% of the level paid in the EU-15, gradually rising to 100% by 2013.

Preliminary Draft 2005 Budget – Proposed Agricultural Spending

Millions EUR	2004	2005	Change
Milk	2,959	3,901	942
Beef and Veal	8,054	8,088	34
Sheepmeat	1,530	1,840	310
Pigmeat/Eggs/Poultry	175	197	22

The EU executive commission proposed abolishing agricultural export subsidies on the condition that key trading partners also reduce financial support for exports. The EU and the US have backed the elimination of export subsidies in principal, but they have disagreed on the details of ending government support for agriculture. The EU's chief agriculture negotiator said the Union realized export subsidy elimination was one of the key issues for a number of countries and would have to be addressed before the Doha Round could move forward. Other WTO members countries need to address the use of export credits, food aid and state trading enterprises. Representatives of some EU member states said the Commission would need their approval before making any concessions on ending export subsidies.

Source: BRIDGES Weekly News Trade Digest, USDA/FAS, various news wires.

USDA Amends Import Regulations for Birds and Poultry from Regions with Highly Pathogenic Avian Influenza

On May 10 the USDA's Animal and Plant Health Inspection Service announced it was amending the regulations concerning the importation of animals and animal products to prohibit or restrict the importation of birds, poultry, and unprocessed bird and poultry products from regions that have reported the presence of the H5N1 subtype of highly pathogenic avian influenza and to establish additional permit and quarantine requirements for U.S. origin pet birds and performing or theatrical birds and poultry returning to the United States. This action is necessary to prevent the introduction of highly pathogenic avian influenza subtype H5N1 into the United States. February 4, 2004. We will consider all comments that we receive on or before July 9, 2004.

Source: Federal Register/Vol. 69, No. 90/Monday, May 10, 2004/
Rules and Regulations, USDA/APHIS press release

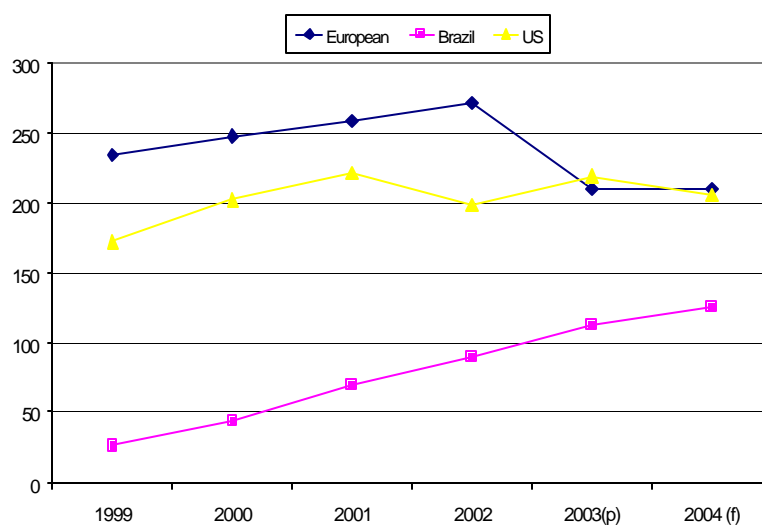
Saudi Arabia Closer to WTO Accession

Following a round of accession talks in Geneva, Saudi Arabia — the world's largest oil exporter — said on 29 April that it hoped to finalize negotiations to join the WTO by mid-June this year. "Roughly, we hope to join the WTO before the end of 2004," noted Saudi Arabian Deputy Trade and Industry Minister, Fawaz al-Alamy. Saudi Arabia must fulfill two conditions before it can join the WTO: its commercial laws must be adapted to WTO rules; and it must conclude bilateral accords with any Member that demands an agreement. Earlier this month, Saudi Arabia had signed a bilateral agreement with China, bringing the total number of such accords to 31. The timing of its accession, however, still depends on its ability to reach bilateral deals with the US, Indonesia, Panama and the Philippines. The US warned that the mid-June target might be a "bit tight," as the US still wants to see changes to Saudi Arabia's financial services sector, intellectual property rights and domestic fuel price discounts, opening up the sectors to competition.

In related news, Lebanon's WTO accession is moving closer to reality. "On the legislative level, we have an action plan. Most of the laws allowing us to join the WTO are either already in the Parliament in the various committees or on their way to the Parliament," noted Fadi Makki, Director General of the Lebanese Ministry of Economy and Trade in a 28 April speech. He added that "The third round of negotiations, which will take place in July, is expected to allow Lebanon to join the WTO" by early 2005. Negotiators are focusing their efforts on certain Lebanese peak tariffs in agricultural and industrial products.

Source: BRIDGES Weekly News Trade Digest

US, EU and Brazil: Turkey Exports, in thousand metric tons



p-preliminary, f-forecast

Source: USDA/FAS

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 01, 2004		Year-To-Date		
Type	2004	2003 /1	2004	2003
LIQUID	147	457	2,709	4,292
FROZEN	0	0	0	63
DRIED	0	0	154	135
TOTAL	147	457	2,863	4,490

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending May 01, 2004			Year-To-Date	
Type	2004	2003 /1	2004	2003
LIQUID	19	70	1,250	1,719
FROZEN	45	6	525	1,225
DRIED	0	40	1,059	440
TOTAL	64	116	2,834	3,384

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending May 01, 2004			Year-To-Date	
Type	2004	2003 /1	2004	2003
JUMBO	0	0	50	121
EXTRA LARGE	1,320	1,280	7,950	3,860
LARGE	3,000	2,850	19,333	18,023
MEDIUM	2,460	1,590	19,560	20,702
UNGRADED	14,820	2,220	75,359	12,456
MISC	840	0	8,784	3,402
TOTAL	22,440	7,940	131,036	58,564

/1Comparable Week, to-date figures may not total due to rounding.

Data Source: Agriculture Canada, Poultry Development Division.

Source: USDA/AMS Poultry Programs, Market News Branch.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 01-May-04

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,299	1,385	2,684
LAST WEEK	1,424	1,250	2,674
SAME WEEK YR AGO	1,846	1,209	3,055
TO-DATE/2004	22,057	21,605	43,662
TO-DATE/2003	29,437	22,569	52,006

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	277	0	277
LAST WEEK	228	4	232
SAME WEEK YR AGO	279	3	282
TO-DATE/2004	4,046	53	4,099
TO-DATE/2003	4,939	64	5,003

Source: Agriculture Canada, Poultry Development Division

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,576	1,385	2,961
LAST WEEK	1,652	1,254	2,906
SAME WEEK YR AGO	2,125	1,212	3,337
TO-DATE/2004	26,103	21,658	47,761
TO-DATE/2003	34,376	22,633	57,009

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

May 07, 2004				
PRICES		VOLUME		
(Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT

15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

May 07, 2004				
PRICES		VOLUME		
(Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT

15% OR LESS				
RANGE	15.00	-	80,000	-
WTD AVERAGE	15.00			
15-20%				
RANGE	14.00-17.00	11.00-15.00	2,492,400	881,600
WTD AVERAGE	15.17	12.35		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

May 07, 2004				
PRICES		VOLUME		
(Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT

15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

May 07, 2004				
PRICES		VOLUME		
(Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT

15% OR LESS				
RANGE	13.50-16.00	-	920,000	520,000
WTD AVERAGE	14.91			
15-20%				
RANGE	14.50-19.00	11.50-16.00	2,768,800	1,248,000
WTD AVERAGE	16.78	13.52		
20% OR MORE				
RANGE	-	12.00	160,000	-
WTD AVERAGE		12.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 07 MAY 2004.

The market on wing meat with skin was fully steady to firm with offerings short of buyers' needs. The tom breast meat market was steady at best for the light to fair demand. Continued increased activity was being noted on fresh tom breast meat. White meat demand was light to fair on the balance of items. Offerings of fresh tom breast meat and frozen scapula were adequate to fully adequate, frozen breast trim was being held with increased confidence, balance light to adequate. Trade sentiment on thigh meat was steady to instances weak, mostly steady to barely steady with export trading noted on frozen young tom thigh meat with -60 days age at lower trending prices. Seller sentiment was steady to firm on tom drums, however domestic and export trading was at mostly steady price levels. The tom neck market was steady to weak with some processors starting to convert product into MST while others watch the markets.

FRIDAY, MAY 07, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	34.00-38.00		35.00	340	34.14	604
WINGS FULL-CUT - TOMS	45.00		45.00	80	44.67	120
WINGS, V-TYPE, TOM		T	28.00	208	28.00	208
TAILS		R	36.00	40	34.00	120
MECHANICALLY SEPARATED 2/		W	35.00	52	36.09	92
THIGH MEAT - FROZEN	83.00-87.00		85.80	200	85.18	304

THURSDAY, MAY 06, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	34.00-36.00		35.00	80
WINGS FULL-CUT - TOMS	44.00		44.00	40
WINGS, V-TYPE, TOM		T	28.00	208
TAILS	36.00		36.00	40
MECHANICALLY SEPARATED 2/		W	35.00	52
THIGH MEAT - FROZEN	84.00		84.00	104

WEDNESDAY, MAY 05, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	32.17	184
WINGS FULL-CUT - TOMS		W	45.00	40
WINGS, V-TYPE, TOM		T	28.00	208
TAILS	33.00		33.00	80
MECHANICALLY SEPARATED 2/	35.00		35.00	52
THIGH MEAT - FROZEN		F	87.00	40

TUESDAY, MAY 04, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-35.00		32.17	184
WINGS FULL-CUT - TOMS		W	45.00	40
WINGS, V-TYPE, TOM	28.00		28.00	208
TAILS		W	34.00	40
MECHANICALLY SEPARATED 2/	37.50		37.50	40
THIGH MEAT - FROZEN		F	87.00	40

MONDAY, MAY 03, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	32.91	440
WINGS FULL-CUT - TOMS		W	45.00	40
WINGS, V-TYPE, TOM				
TAILS		W	34.00	40
MECHANICALLY SEPARATED 2/		R	39.00	20
THIGH MEAT - FROZEN		F	87.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.